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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

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National Intelligence Council

24 MAY 1982

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: Charles E. Waterman
National Intelligence Officer for NESA

SUBJECT: Monthly Warning Meeting - May 1982

1. Sudan-Ethiopia. Some 1000 Libyan sponsored Sudanese dissidents operating from Ethiopia do not present a direct or immediate threat to President Nimeiri. If they should ultimately succeed in creating an aura of instability in the country, this could create longer-term problems for the regime. For Sudan's part, it has declared increased support for insurgents to operate in Ethiopia, which could lead in the future to Ethiopian air strikes in the border areas.

2. Israel-southern Lebanon-Syria. The bottom line of this crisis remains the same as for the past several months - the Israelis remain significantly above normal strength in the area, despite minor drawdowns the week of 16 May. They could and probably will strike into the south, when sufficient provocation occurs and an internal political consensus reached. Israeli air and commando capabilities have not declined, despite fluctuations in other units.

3. Iran-Iraq War. Iran will be able to take the city of Khorramshahr in time, despite Iraq's decision to defend it. President Saddam Husayn risks several key divisions as a result of his decision to defend, and a concomitant deterioration in his political situation is likely. Iran apparently has not yet decided whether to invade southern Iraq, although a few reports indicate that the Iranians are attempting to gauge the reaction of the local populace, should they do so. No Arab nation, including Egypt, has evinced a desire to join the war militarily on Iraq's side. The risks in the short-term to Gulf Arab states, in the case of continued Iranian

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victories, lie in potential subversion of their Shia populaces by Iran. Bahrain remains the most vulnerable.

4. Egypt After Sinai. A consensus exists among all agencies that nothing threatening to Camp David, Israel, or Egypt's moderate political policies is inherent in the modest indicators of an Egyptian rapprochement with the conservative Arabs. Formal restoration of full relations with any state will require considerable time, in any case.

5. YAR-PDRY. A decision has been taken by YAR President Abdullah Salih to exploit a current field advantage over the National Democratic Front (NDF) in the YAR-PDRY border area. This could result in a decision to commit regular PDRY forces in defense of the NDF -- although no such decision has apparently yet been taken. Short of such intervention, the prospect is for further YAR successes, specifically the retaking of Juban which fell to the NDF in April.

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for Charles E. Waterman

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